

09/23/20

Good Morning,

Stocks continue to churn with a downward bias since September 1<sup>st</sup>. The S&P 500 is down more than 6% this month and the tech-heavy NASDAQ is down more than 10%. We have essentially given back most of the summer rally and are now close to breakeven on the year. We have been wondering how long that extended rally would hold up as the stock market was overbought and way ahead of the actual economy in its recovery. There are lots of reasons for this retreat and it looks like our old friend COVID-19 may be the biggest.

A quick view of the Johns Hopkins COVID map and accompanying charts paints the picture. After spiking in mid-July, daily new virus cases dropped through the beginning of September. However, for the past two weeks, we are back on an upward trajectory. Whether or not you believe the virus is dangerous to most people, there's a low chance of an effective vaccine or testing regime being widely available much before next spring, and the reopening of schools and businesses may lead to surges in infections that are controllable only through widespread lockdowns. The economic damage from such events will not be negligible. That is what has traders concerned about the economic recovery. Not to mention the election, the Supreme court nomination dilemma, delays in additional COVID relief from Congress and continued social unrest.

I do try to avoid politics in my weekly updates, although it does sneak in on occasion. My real concern is the welding shut of the American mind – on both sides of the aisle. Politics are an ugly game, and I often remind myself that neither side gets it all right, and that I need to pry open my own mind from time to time. Speaking of shut, there's still a crack in the door to the playoffs for my Reds with 4 games to play. (See how I did that?) And the Bills are 2-0. What could possibly go wrong? For full disclosure, I moved that question from the end of the last paragraph to lighten my own day.

Please visit our website at [www.canfg.com](http://www.canfg.com) or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

[http://www.commonwealth.com/RepSiteContent/weekly\\_comm/commentary\\_redirect.htm](http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm)

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Enjoy this gorgeous weather!

*Wade*

Wade A. Sarkis, CFP®, AIF®  
Managing Partner  
Canandaigua Financial Group  
45 Ontario Street  
Canandaigua, NY 14424  
(585) 396-2720

Securities and Advisory Services offered through Commonwealth Financial Network, Member FINRA, SIPC, a Registered Investment Adviser  
Note: Trade orders cannot be accepted via email or voicemail.